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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.
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09/185,878 11/03/98 LENT

J NEXTP002

EXAMINER

TM02/0727

RITTER VAN PELT AND YI  
4906 EL CAMINO REAL  
SUITE 205  
LOS ALTOS CA 94022

HAYES, J

ART UNIT

PAPER NUMBER

2161

DATE MAILED:

07/27/01

Please find below and/or attached an Office communication concerning this application or proceeding.

Commissioner of Patents and Trademarks

GM

## Office Action Summary

Application No.

09/185,878

Applicant(s)

LENT ET AL.

Examiner

John W Hayes

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

### Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

### Status

- 1) ☒ Responsive to communication(s) filed on 22 May 2001.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

### Disposition of Claims

- 4) ☒ Claim(s) 1-11 is/are pending in the application.
- 4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.
- 5) ☐ Claim(s) \_\_\_\_\_ is/are allowed.
- 6) ☒ Claim(s) 1,4-7 and 9-11 is/are rejected.
- 7) ☒ Claim(s) 2,3 and 8 is/are objected to.
- 8) ☐ Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

### Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☒ The drawing(s) filed on 06 March 2000 is/are: a) ☐ accepted or b) ☒ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on \_\_\_\_\_ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

### Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some \* c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- \* See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

### Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449) Paper No(s) 17, 20.
- 4) ☐ Interview Summary (PTO-413) Paper No(s). \_\_\_\_\_
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other:

## **DETAILED ACTION**

### ***Continued Prosecution Application***

1. The request filed on 12 March 2001 for a Continued Prosecution Application (CPA) under 37 CFR 1.53(d) based on parent Application No. 09/185,878 is acceptable and a CPA has been established. An action on the CPA follows.

### ***Information Disclosure Statement***

2. The information disclosure statement filed 26 March 2001 fails to comply with 37 CFR 1.98(a)(2), which requires a legible copy of each U.S. and foreign patent; each publication or that portion which caused it to be listed; and all other information or that portion which caused it to be listed. It is noted that the U.S. and foreign patent references cited therein have been considered by the Examiner as well as the non-patent literature cited therein with the exception of items "M", "Q" and "S". These non-patent literature references have not been considered since a copy of each of the references was not provided and was not available to the Examiner.

### ***Response to Arguments***

3. Applicant's arguments filed 22 May 2001 have been fully considered but they are not persuasive. As per claim 1 and 9-11, applicant argues that Walker et al fails to disclose presenting a reason for the rejection of a credit application. Examiner respectfully disagrees since Walker et al teaches displaying subcodes to a Local Branch Representative (LBR) which represents a credit decision as a result of a credit analysis. The subcodes range from A to D and signify a decision for extending credit to the applicant including Recommended Approval (A) and Recommended Turndown (B-D) and assigning these codes for each rating such as credit score, debt burden, high liability, below minimum income and below minimum age. Walker et al discloses the identification of the appropriate rejection reasons if the applicant does not meet the credit request criteria and displaying these reasons to the LBR when conversing with

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the applicant (See Pages 12-13; Page 20, lines 5-10; Page 21, lines 1-6; Page 22, lines 5-10; Page 26, lines 7-13 and Figures 9-10h).

Examiner stated in the rejection that Walker et al discusses credit score, debt burden and high liability as factors in which the applicant was rated by the system and either recommended for approval or turndown, however, Examiner also stated that Walker et al fail to disclose the specific reason for the different levels of rejection corresponding to the rejection codes (B-D). Examiner stated that *Titan* discloses a system and method that provides rapid explanations for the scores determined by a neural network and teaches that the system can be used to provide an explanation of the input variables that most significantly caused the resulting score leading to a denial of credit (Col. 1, lines 40-51). *Titan* also discloses the use of internal rejection codes corresponding to explanations for the rejection of a credit transaction or credit application (Col. 7 line 63-Col. 8 line 5 and Col. 8 line 63-Col. 9 line 8). In response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986). Applicant has provided no arguments with respect to the *Titan* reference when the rejection was based upon a combination of references, not Walker et al alone.

4. In response to applicant's argument that the examiner's conclusion of obviousness is based upon improper hindsight reasoning, it must be recognized that any judgment on obviousness is in a sense necessarily a reconstruction based upon hindsight reasoning. But so long as it takes into account only knowledge which was within the level of ordinary skill at the time the claimed invention was made, and does not include knowledge gleaned only from the applicant's disclosure, such a reconstruction is proper. See *In re McLaughlin*, 443 F.2d 1392, 170 USPQ 209 (CCPA 1971).

5. Applicant further argues that Walker et al fail to disclose mapping the factor identified by the credit bureau to an internal rejection code. Examiner respectfully disagrees as discussed above. Walker et al discloses assigning internal subcodes ranging from A to D to signify a decision for extending credit to the applicant based upon credit information received from a credit bureau wherein the subcodes include

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Recommended Approval (A) and Recommended Turndown (B-D) and assigning these codes for each rating such as credit score, debt burden, high liability, below minimum income and below minimum age.

6. Applicant further argues that Walker et al fail to disclose a rejection based on an internal rejection code. Applicant asserts that the codes (B-D) taught by Walker et al are not rejection codes, but are rankings which give the LBR an indication as to how to handle the conversation with the applicant. Applicant further asserts that the codes indicate that the applicant's information needs to be reviewed, not that the applicant has been rejected. Examiner disagrees with this characterization of the Walker et al reference. Examiner notes that codes B-D are codes that indicate different levels of a Recommended Turndown (D being worse than C and C being worse than B) for credit based upon factors such as the applicant's credit score from a credit bureau, debt burden, high liability, below minimum income, etc. Examiner agrees, however, that the LBR has the option of appealing the decision to a back office review of the credit application as disclosed by Walker et al. However, in the event that the back office review does not change the credit decision, it would have been obvious that the LBR would convey a rejection to the applicant based upon the codes discussed above since creditors are required to give reasons for denial of credit in accordance with Federal Reserve Board Regulations B (12 CFR 202 et seq.) and Z (12 CFR 225 et seq) promulgated pursuant to Title I of the Consumer Credit Protection Act (15 USC 1640 et seq) and the Federal Truth in Lending Act (15 USC 1601 et seq) (See Norris, Col. 2, lines 3-10 and Col. 5, lines 23-35). Again, in response to applicant's arguments against the references individually, one cannot show nonobviousness by attacking references individually where the rejections are based on combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re Merck & Co.*, 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

7. As per claims 4 and 5, Applicant asserts that there is not motivation to combine Walker et al and Norris since Walker et al discloses that the underwriter's judgement and the LBR's judgement is necessary in order to present rejection reasons to an applicant. Examiner notes, however, that Applicant has acknowledged that Walker et al discloses that the LBR is presented with a screen containing rejection reasons, and the LBR then chooses the appropriate reasons to communicate to the applicant from among those that are presented on the LBR's screen. Claims 4 and 5 are directed to requesting an

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and receiving acknowledgement of the rejection from the applicant and noting that the acknowledgment was received. As discussed in the rejection of claims 4-5 below, *Walker et al* fails to disclose this feature. *Norris* discloses that the method of loan application processing includes execution, without human intervention, of regulatory requirements related to consumer financing and that regulatory approvals can be obtained by first displaying documents on the monitor screen, highlighting those requiring careful explanation and obtaining both the consumer's acknowledgement that they were explained and that he/she understood them. It would have been obvious to include this step in the method taught by *Walker et al* to ensure that the applicant understands the reasons for denial of credit as taught by *Norris*. It is clear from the teachings of *Norris* that creditors must ensure that applicants are given reasons for denial of credit and must ensure that the applicant received them and understood them in order to meet regulatory requirements. Thus, one would have been motivated to include this processing in the method taught by *Walker et al* to ensure that the creditor has met the regulatory requirements.

8. As per claims 6 and 7, Applicant asserts that *Walker et al* does not disclose or suggest the material that the Examiner asserts *Walker et al* discloses. Examiner respectfully disagrees as per the discussion above. Also, Examiner does not understand Applicant's assertion that there is no showing of motivation to combine *Walker et al* with *Norris*. Examiner notes that *Walker et al*, *Titan* and *Norris* were combined in the rejection of claims 1 and 9-11 and motivation for the combination is provided in the rejection of these claims. An additional reference to *Zandi* was cited in combination with *Walker et al*, *Titan* and *Norris* to reject claims 6 and 7 and proper motivation was provided for the combination with *Zandi* (see rejection of claims 6 and 7). Thus, Examiner believes the rejection of claims 6 and 7 to be proper.

9. Applicant's arguments filed 23 May 2001 with respect to the 35 USC § 101 rejection of claim 10, are sufficient in overcoming the rejection.

### ***Drawings***

10. The corrected or substitute drawings were received on 06 March 2000. These drawing corrections are approved by the Draftsperson.

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11. The drawings are objected to as failing to comply with 37 CFR 1.84(p)(5) because they do not include the following reference sign(s) mentioned in the description: Figure 4A does not indicate reference character "400" in accordance with the specification, page 15, second line from the bottom of the page. Correction is required.

12. The drawings are objected to as failing to comply with 37 CFR 1.84(p)(4) because reference character "306" has been used to designate both "validate applicant data" on Figure 3 and "start" on Figure 4A. Correction is required.

13. A proposed drawing correction or corrected drawings are **required** in reply to the Office action to avoid abandonment of the application. The objection to the drawings will not be held in abeyance.

***Claim Rejections - 35 USC § 103***

14. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

15. Claims 1, 4-5 and 9-11 are rejected under 35 U.S.C. 103(a) as being unpatentable over *Walker et al*, PCT Application WO 97/22073, published 19 June 1997 in view of *Titan*, U.S. Patent No. 5,745,654 and *Norris*, U.S. Patent No. 5,940,811.

As per **Claim 1**, *Walker et al* discloses a method of presenting a reason for the rejection of a credit application from an applicant comprising obtaining a scoring factor from a credit bureau for the application (Page 3, lines 4-10 and Page 9, lines 19-25), mapping the factor identified by the credit bureau information to an internal rejection code (Page 10 line 25 – Page 11 line 4; Page 12; and Page 13, lines 4-13), and providing a rejection of the credit application based on an internal rejection code (Grades B-D) corresponding generally to a reason for the rejection (credit score, debt burden, high liability, etc.) to

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the user of the system (Page 12 line 1-Page 13 line 3; Page 13, lines 9-13; Page 20, lines 5-10; Page 21, lines 1-6; Page 22, lines 5-10; Page 26, lines 7-13 and Figures 9-10h). Although *Walker et al* discusses credit score, debt burden and high liability as reasons for rejection, *Walker et al*, however, fails to disclose the specific reason for the different levels of rejection corresponding to the rejection codes (B-D). *Titan* discloses a system and method that provides rapid explanations for the scores determined by a neural network and teaches that the system can be used to provide an explanation of the input variables that most significantly caused the resulting score leading to a denial of credit (Col. 1, lines 40-51). *Titan* also discloses the use of internal rejection codes corresponding to explanations for the rejection of a credit transaction or credit application (Col. 7 line 63-Col. 8 line 5 and Col. 8 line 63-Col. 9 line 8). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method of *Walker et al* and include the specific reasons for rejection as taught by *Titan* so that the user of the system can immediately understand the actual reason that the application was denied and further take steps to correct the problem to prevent future applications for credit from being denied.

*Walker et al* further discloses that the rejection information is provided to the user of the system which in this case is a local branch representative, however, *Walker et al* does not specifically teach that the user is the actual applicant for credit. *Norris* discloses a method and apparatus for automatic processing of typical financial transactions including loan applications and credit card and debit card applications. *Norris* also teaches that when an applicant applies for credit, the applicant's credit report is obtained from a credit bureau, evaluated using an underwriter model and a decision is made based on the evaluation whether to grant or deny the loan or credit card application and the system then informs the borrower of the decision (Col. 6, lines 45-55 and Col. 7, lines 28-37). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method of *Walker et al* and incorporate the capability to communicate the results of the credit application evaluation directly to the applicant rather than using a mediator such as a bank branch representative to relay the information. *Norris* provides motivation by indicating that communicating directly with the applicant provides more convenience to applicants since they could apply for credit using kiosks or other computer means placed in a convenient locations (Col. 1, lines 20-57; Col. 2, lines 27-34 and Col. 4, lines 15-20).



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Furthermore, it would have been obvious to convey to the applicant the specific reasons for rejection in view of Norris, since creditors are required to give information to borrowers or potential borrowers regarding the terms of the transaction and reasons for denial of credit in accordance with Federal Reserve Board Regulations B (12 CFR 202 et seq.) and Z (12 CFR 225 et seq) promulgated pursuant to Title I of the Consumer Credit Protection Act (15 USC 1640 et seq) and the Federal Truth in Lending Act (15 USC 1601 et seq) (See Norris, Col. 5, lines 23-35 and Col. 2, lines 3-10).

As per Claims 4 and 5, *Walker et al* discloses that a local branch representative typically informs the applicant if the application for credit is rejected for any reason, however, does not specifically disclose that the system requests and receives an acknowledgment from the applicant that he/she actually received the rejection information. *Norris* discloses that the method of loan application processing includes execution, without human intervention, of regulatory requirements related to consumer financing and that regulatory approvals can be obtained by first displaying documents on the monitor screen, highlighting those requiring careful explanation and obtaining both the consumer's acknowledgement that they were explained and that he/she understood them (Col. 2, lines 48-53; Col. 5, lines 22-39; Col. 6, lines 57-64; and Col. 10, lines 28-34). It would have been obvious to include the step of requesting that the applicant understood the reasons for denial of credit in the method taught by *Walker et al* to ensure that the applicant understands these reasons as taught by *Norris*. It is clear from the teachings of *Norris* that creditors must ensure that applicants are given reasons for denial of credit and must ensure that the applicant received them and understood them in order to meet regulatory requirements. Thus, one would have been motivated to include this processing in the method taught by *Walker et al* to ensure that the creditor has met the regulatory requirements.

As per Claim 9, *Walker et al* discloses a system for presenting a reason for the rejection of a credit application from an applicant comprising obtaining a scoring factor from a credit bureau for the application (Page 3, lines 4-10 and Page 9, lines 19-25), mapping the factor identified by the credit bureau information to an internal rejection code (Page 10 line 25 – Page 11 line 4; Page 12; and Page 13,

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lines 4-13), and providing a rejection of the credit application based on an internal rejection code (Grades B-D) corresponding generally to a reason for the rejection (credit score, debt burden, high liability, etc.) to the user of the system (Page 12 line 1-Page 13 line 3; Page 13, lines 9-13; Page 20, lines 5-10; Page 21, lines 1-6; Page 22, lines 5-10; Page 26, lines 7-13 and Figures 9-10h). Although *Walker et al* discusses credit score, debt burden and high liability as reasons for rejection, *Walker et al*, however, fails to disclose the specific reason for the different levels of rejection corresponding to the rejection codes (B-D). *Titan* discloses a system and method that provides rapid explanations for the scores determined by a neural network and teaches that the system can be used to provide an explanation of the input variables that most significantly caused the resulting score leading to a denial of credit (Col. 1, lines 40-51). *Titan* also discloses the use of internal rejection codes corresponding to explanations for the rejection of a credit transaction or credit application (Col. 7 line 63-Col. 8 line 5 and Col. 8 line 63-Col. 9 line 8). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method of *Walker et al* and include the specific reasons for rejection as taught by *Titan* so that the user of the system can immediately understand the actual reason that the application was denied and further take steps to correct the problem to prevent future applications for credit from being denied.

*Walker et al* further discloses that the rejection information is provided to the user of the system which in this case is a local branch representative, however, *Walker et al* does not specifically teach that the user is the actual applicant for credit. *Walker et al* also does not specifically disclose that the system further includes an Underwriter operative to perform these functions. *Norris* discloses a method and apparatus for automatic processing of typical financial transactions including loan applications and credit card and debit card applications. *Norris* also teaches that when an applicant applies for credit, an underwriter model is utilized to obtain the applicant's credit report from a credit bureau, evaluate the information and make a decision based on the evaluation whether to grant or deny the loan or credit card application and the system then inform the borrower of the decision (Col. 6, lines 45-55 and Col. 7, lines 28-37). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the computer program of *Walker et al* and incorporate an underwriter capability to evaluate the application and communicate the results of the credit application evaluation directly to the

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applicant rather than using a mediator such as a bank branch representative to relay the information. *Norris* provides motivation by indicating that communicating directly with the applicant provides more convenience to applicants since they could apply for credit using kiosks or other computer means placed in a convenient locations (Col. 1, lines 20-57; Col. 2, lines 27-34 and Col. 4, lines 15-20).

Furthermore, it would have been obvious to convey to the applicant the specific reasons for rejection in view of *Norris*, since creditors are required to give information to borrowers or potential borrowers regarding the terms of the transaction and reasons for denial of credit in accordance with Federal Reserve Board Regulations B (12 CFR 202 et seq.) and Z (12 CFR 225 et seq) promulgated pursuant to Title I of the Consumer Credit Protection Act (15 USC 1640 et seq) and the Federal Truth in Lending Act (15 USC 1601 et seq) (See *Norris*, Col. 5, lines 23-35 and Col. 2, lines 3-10).

As per **Claim 10**, *Walker et al* discloses a computer program which is carried out and operates the system for presenting a reason for the rejection of a credit application from an applicant comprising program code operative to obtain a scoring factor from a credit bureau for the application (Page 3, lines 4-10 and Page 9, lines 19-25), program code operative to map the factor identified by the credit bureau information to an internal rejection code (Page 10 line 25 – Page 11 line 4; Page 12; and Page 13, lines 4-13), and program code operative to provide a rejection of the credit application based on an internal rejection code (Grades B-D) corresponding generally to a reason for the rejection (credit score, debt burden, high liability, etc.) to the user of the system (Page 12 line 1-Page 13 line 3; Page 13, lines 9-13; Page 20, lines 5-10; Page 21, lines 1-6; Page 22, lines 5-10; Page 26, lines 7-13 and Figures 9-10h). Although *Walker et al* discusses credit score, debt burden and high liability as reasons for rejection, *Walker et al*, however, fails to disclose the specific reason for the different levels of rejection corresponding to the rejection codes (B-D). *Titan* discloses a system and method that provides rapid explanations for the scores determined by a neural network and teaches that the system can be used to provide an explanation of the input variables that most significantly caused the resulting score leading to a denial of credit (Col. 1, lines 40-51). *Titan* also discloses the use of internal rejection codes corresponding to explanations for the rejection of a credit transaction or credit application (Col. 7 line 63-

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Col. 8 line 5 and Col. 8 line 63-Col. 9 line 8). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method of *Walker et al* and include the specific reasons for rejection as taught by *Titan* so that the user of the system can immediately understand the actual reason that the application was denied and further take steps to correct the problem to prevent future applications for credit from being denied.

*Walker et al* further discloses that the rejection information is provided to the user of the system which in this case is a local branch representative, however, *Walker et al* does not specifically teach that the user is the actual applicant for credit. *Walker et al* also does not specifically disclose that the system further includes an Underwriter operative to perform these functions. *Norris* discloses a computer program for automatic processing of typical financial transactions including loan applications and credit card and debit card applications. *Norris* also teaches that when an applicant applies for credit, an underwriter model is utilized to obtain the applicant's credit report from a credit bureau, evaluate the information and make a decision based on the evaluation whether to grant or deny the loan or credit card application and the system then inform the borrower of the decision (Col. 6, lines 45-55 and Col. 7, lines 28-37). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the computer program of *Walker et al* and incorporate an underwriter capability to evaluate the application and communicate the results of the credit application evaluation directly to the applicant rather than using a mediator such as a bank branch representative to relay the information. *Norris* provides motivation by indicating that communicating directly with the applicant provides more convenience to applicants since they could apply for credit using kiosks or other computer means placed in convenient locations (Col. 1, lines 20-57; Col. 2, lines 27-34 and Col. 4, lines 15-20).

Furthermore, it would have been obvious to convey to the applicant the specific reasons for rejection in view of *Norris*, since creditors are required to give information to borrowers or potential borrowers regarding the terms of the transaction and reasons for denial of credit in accordance with Federal Reserve Board Regulations B (12 CFR 202 et seq.) and Z (12 CFR 225 et seq) promulgated pursuant to Title I of the Consumer Credit Protection Act (15 USC 1640 et seq) and the Federal Truth in Lending Act (15 USC 1601 et seq) (See *Norris*, Col. 5, lines 23-35 and Col. 2, lines 3-10).

As per Claim 11, *Walker et al* discloses a computer readable medium having program code embodied therein for presenting a reason for the rejection of a credit application from an applicant comprising program code operative to obtain a scoring factor from a credit bureau for the application (Page 3, lines 4-10 and Page 9, lines 19-25), program code operative to map the factor identified by the credit bureau information to an internal rejection code (Page 10 line 25 – Page 11 line 4; Page 12; and Page 13, lines 4-13), and program code operative to provide a rejection of the credit application based on an internal rejection code (Grades B-D) corresponding generally to a reason for the rejection (credit score, debt burden, high liability, etc.) to the user of the system (Page 12 line 1-Page 13 line 3; Page 13, lines 9-13; Page 20, lines 5-10; Page 21, lines 1-6; Page 22, lines 5-10; Page 26, lines 7-13 and Figures 9-10h). Although *Walker et al* discusses credit score, debt burden and high liability as reasons for rejection, *Walker et al*, however, fails to disclose the specific reason for the different levels of rejection corresponding to the rejection codes (B-D). *Titan* discloses a system and method that provides rapid explanations for the scores determined by a neural network and teaches that the system can be used to provide an explanation of the input variables that most significantly caused the resulting score leading to a denial of credit (Col. 1, lines 40-51). *Titan* also discloses the use of internal rejection codes corresponding to explanations for the rejection of a credit transaction or credit application (Col. 7 line 63-Col. 8 line 5 and Col. 8 line 63-Col. 9 line 8). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the method of *Walker et al* and include the specific reasons for rejection as taught by *Titan* so that the user of the system can immediately understand the actual reason that the application was denied and further take steps to correct the problem to prevent future applications for credit from being denied.

*Walker et al* further discloses that the rejection information is provided to the user of the system which in this case is a local branch representative, however, *Walker et al* does not specifically teach that the user is the actual applicant for credit. *Walker et al* also does not specifically disclose that the system further includes an Underwriter operative to perform these functions. *Norris* discloses a computer readable medium having program code embodied therein for automatic processing of typical financial

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transactions including loan applications and credit card and debit card applications. *Norris* also teaches that when an applicant applies for credit, an underwriter model is utilized to obtain the applicant's credit report from a credit bureau, evaluate the information and make a decision based on the evaluation whether to grant or deny the loan or credit card application and the system then inform the borrower of the decision (Col. 6, lines 45-55 and Col. 7, lines 28-37). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the computer program of *Walker et al* and incorporate an underwriter capability to evaluate the application and communicate the results of the credit application evaluation directly to the applicant rather than using a mediator such as a bank branch representative to relay the information. *Norris* provides motivation by indicating that communicating directly with the applicant provides more convenience to applicants since they could apply for credit using kiosks or other computer means placed in convenient locations (Col. 1, lines 20-57; Col. 2, lines 27-34 and Col. 4, lines 15-20).

Furthermore, it would have been obvious to convey to the applicant the specific reasons for rejection in view of *Norris*, since creditors are required to give information to borrowers or potential borrowers regarding the terms of the transaction and reasons for denial of credit in accordance with Federal Reserve Board Regulations B (12 CFR 202 et seq.) and Z (12 CFR 225 et seq) promulgated pursuant to Title I of the Consumer Credit Protection Act (15 USC 1640 et seq) and the Federal Truth in Lending Act (15 USC 1601 et seq) (See *Norris*, Col. 5, lines 23-35 and Col. 2, lines 3-10).

16. Claims 6-7 are rejected under 35 U.S.C. 103(a) as being unpatentable over *Walker et al*, PCT Application WO 97/22073, published 19 June 1997, *Titan*, U.S. Patent No. 5,745,654 and *Norris*, U.S. Patent No. 5,940,811 as applied to claim 1 above, and further in view of *Zandi*, U.S. Patent No. 5,966,699.

As per **Claim 6**, *Walker et al* and *Titan* disclose an "on-line system" and method for providing a rejection reason to an applicant and *Norris* discloses a remote kiosk based system that communicates with a transaction processor via communication lines, however, neither *Walker et al*, *Titan* nor *Norris*

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specifically disclose that the method is carried out by providing a web page to the applicant that includes the rejection reason. *Zandi* discloses a system and method for conducting a loan auction over a computer network and teaches a method of allowing a borrower to complete an application for a loan over the Internet via a web page (Col. 2, lines 15-40 and Figures 1-2) and notifying the applicant whether the loan is approved or denied including the reasons for denial (Col. 8, lines 17-28 and 45-60). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the methods of *Walker et al*, *Titan* and *Norris* as discussed above and incorporate the capability to communicate with the applicant via web pages over the Internet taught by *Zandi* for the benefit of allowing applicants to apply for credit from any location that has access to the Internet. The motivation is to provide more convenience to the applicant as well as increase the number of potential customers for the lending institution by giving customers more options in which to communicate with lenders.

With respect to **Claim 7**, as described above in accordance with claim 6, neither *Walker et al*, *Titan* nor *Norris* disclose providing a web page to the applicant that includes the rejection reason and further providing an acknowledgment button to the applicant as part of the web page. *Norris*, however, discloses that the method of loan application processing includes execution, without human intervention, of regulatory requirements related to consumer financing and that regulatory approvals can be obtained by first displaying documents on the monitor screen, highlighting those requiring careful explanation and obtaining both the consumer's acknowledgement that they were explained and that he/she understood them (Col. 2, lines 48-53; Col. 5, lines 22-39; Col. 6, lines 57-64; and Col. 10, lines 28-34). *Zandi* discloses a system and method for conducting a loan auction over a computer network and teaches a method of allowing a borrower to complete an application for a loan over the Internet via a web page (Col. 2, lines 15-40 and Figures 1-2) and notifying the applicant whether the loan is approved or denied including the reasons for denial (Col. 8, lines 17-28 and 45-60). It would have been obvious to one of ordinary skill in the art at the time the invention was made to modify the methods of *Walker et al*, *Titan* and *Norris* and implement the Internet and web page features taught by *Zandi* and include an acknowledgement button on the web page so that the applicant can acknowledge that the rejection

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information was received. It is also clear from the teachings of *Norris* that creditors must ensure that applicants are given reasons for denial of credit and must ensure that the applicant received them and understood them in order to meet regulatory requirements. Thus, one would have been motivated to include this processing to ensure that the creditor has met the regulatory requirements.

### ***Allowable Subject Matter***

17. Claims 2-3 and 8 are objected to as being dependent upon a rejected base claim, but would be allowable if rewritten in independent form including all of the limitations of the base claim and any intervening claims.

18. The following is a statement of reasons for the indication of allowable subject matter:

As per claims 2 and 3, and especially in view of applicant's arguments filed 23 May 2001, the closest prior art of record (WO97/22073 to Walker et al or 5,940,811 to Norris) taken either individually or in combination with other prior art of record fails to teach or suggest performing attribute tests to determine whether the result corresponds to an appropriate rejection reason, and if so, assigning the appropriate internal rejection code for the specific rejection reason or assigning a general rejection code.

As per claim 8, the closest prior art of record (WO97/22073 to Walker et al or 5,940,811 to Norris) taken either individually or in combination with other prior art of record fails to teach or suggest providing an applet that automatically communicates that the web page has been downloaded without requiring affirmative acknowledgment by the applicant.

### ***Conclusion***

19. The prior art previously made of record and not relied upon is considered pertinent to applicant's disclosure.

- Dykstra et al [5,611,052] discloses an apparatus and method for automatic credit evaluation and loan processing and teaches accessing a credit bureau for credit information pertaining to the applicant and applies a credit scoring model to determine the approval/rejection of the application.



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- Jones et al discloses a method for the real-time automatic determination of the approval status of a potential borrower of a loan and teaches obtaining a credit worthiness score from a credit bureau and comparing this score to a table of score ranges obtained from the lender to determine the approval/rejection status of the applicant
- Tengel et al discloses deriving a proprietary credit score, typically a "FICO score", from a credit bureau to determine the credit score of a borrower.
- Canter, Ronal S. discloses that The Equal Credit Opportunity Act (ECOA) mandates that a prompt, meaningful disclosure of all reasons that a consumer credit application has been denied is provided to the consumer.
- "Low Rent Loan Officer In a Kiosk" by Bank Technology News discloses an automated loan machine that uses a bank's underwriting criteria and credit bureau data to accept or reject a loan application, and if the loan is rejected the system provides an explanation of the reasons for rejection.
- Calvey, Mark, "Internet Gives Bankers a Snappy Comeback" discloses a system launched by NextCard that provides an immediate response service to applicants who apply for a credit card via its web page wherein applicants can customize the card's features and process balance transfers online.
- American Banker, "Users of Credit Scoring Face Tough Rules on Notification" discloses Federal regulations concerning the requirement for lenders to provide specific reasons for the rejection of credit
- McShane, Peter K., "Got Financing" discloses that specific reasons for rejection of credit is important to the applicant in that it helps them focus their energy on what they need to do to improve their chances for approval in the future
- Borowsky, Mark, "The Neural Net: Predictor of Fraud or Victim of Hype?" discloses that HNC, Inc has a system that can give reasons for credit decisions
- Atkins discloses a system for managing financial accounts and teaches that if a mortgage application is rejected either by the loan department or the legal and regulatory compliance department, the approval is denied and a report is issued to the involved parties stating the reason for its denial.

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20. Any inquiry concerning this communication or earlier communications from the examiner should be directed to John Hayes whose telephone number is (703)306-5447. The examiner can normally be reached Monday through Friday from 5:30 to 3:00.

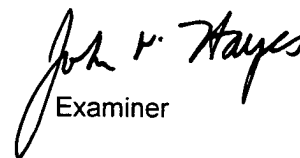
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Jim Trammell, can be reached on (703) 305-9768.

The Fax phone number for the **UNOFFICIAL FAX** for the organization where this application or proceeding is assigned is (703) 746-5531 (for informal or draft communications, please label "PROPOSED" or "DRAFT").

The Fax phone number for the **OFFICIAL FAX** for the organization where this application or proceeding is assigned is (703) 308-6165 or 6296 (for formal communications intended for entry).

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the receptionist whose telephone number is (703) 305-3900.

John Hayes



Examiner

26 July 2001